

**Housing Authority of the City of Bunkie  
Bunkie, Louisiana**

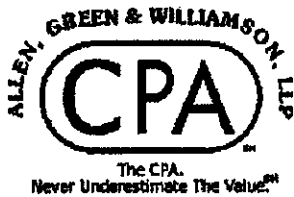
**Annual Financial Report**  
**As of and for the Year Ended December 31, 2006**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-18-07

**Housing Authority of the City of Bunkie  
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Housing Authority of the City of Bunkie  
Bunkie, Louisiana

We have audited the accompanying basic financial statements of the Housing Authority of the City of Bunkie, Bunkie, Louisiana, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority, as of December 31, 2006, and the respective changes in its financial position and its cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2007, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis, as listed in the tables of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying supplemental information, as listed in the table of contents, which includes the Financial Data Schedule required by HUD, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana  
June 28, 2007

**REQUIRED SUPPLEMENTAL INFORMATION**  
**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**  
**DECEMBER 31, 2006**

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**Housing Authority of the City of Bunkie, Louisiana**

**Management's Discussion and Analysis (MD&A)**

**December 31, 2006**

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The management of Public Housing Authority of Bunkie, Louisiana presents the following discussion and analysis (MD&A) of the Housing Authority's financial activities for the fiscal year ending December 31, 2006. This represents an overview of financial information. Please read this discussion and analysis in conjunction with the Authority's included audited financial statements.

**FINANCIAL HIGHLIGHTS**

- ☐ The primary source of funding for these activities continues to be subsidies and grants from the Department of Housing and Urban Development (HUD), whereas tenant rentals provide a secondary but also significant source of funding.
- ☐ The Housing Authority's assets exceeded its liabilities by \$1,399,334 at the close of the fiscal year ended 2006.
  - ☐ Of this amount \$1,270,215 represents a restriction equal to the net amount invested in land, building, furnishings, leasehold improvements, equipment, and construction in progress.
  - ☐ The remainder of \$129,119 of unrestricted assets could be used to meet the Housing Authority's ongoing obligations to citizens and creditors. As a measure of financial strength, this amount equals 27% of the total operating expenses of \$473,250 for the fiscal year 2006, which means the Authority might be able to operate about 4 months using the unrestricted assets alone, which compares favorably with 4 months in the prior fiscal year.
- ☐ The Housing Authority's total net assets increased by \$160,431, a 13% change from the prior fiscal year 2006. This increase is attributable to significant increases in Federal grants for both operations and capital improvements, described in more detail below.
- ☐ The increase in net assets of these funds was accompanied by an increase in unrestricted cash by \$5,173 from fiscal year 2006.
- ☐ The Authority spent \$262,545 on construction in progress during the current fiscal year.
- ☐ These changes led to an increase in total assets by \$165,649 and an increase in total liabilities by \$5,218. As related measure of financial health, there are still over \$4.59 of current assets covering each dollar of total current and long-term liabilities, which compares unfavorably with \$4.87 covering the prior fiscal year's liabilities.
- ☐ The Housing Authority continues to operate without the need for debt borrowing.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority is a special-purpose government engaged in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements, comprised of two components: (1) fund financial statements and (2) a series of notes to the financial statements. These provide information about the activities of the Housing Authority as a whole and present a longer-term view of the Housing Authority's finances. This report also contains other supplemental information in addition to the basic financial statements themselves demonstrating how projects funded by HUD have been completed, and whether there are inadequacies in the Authority's internal controls.

**Housing Authority of the City of Bunkle, Louisiana**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2006**

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**Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Authority's finances is, "Is the Housing Authority as a whole better off, or worse off, as a result of the achievements of fiscal year 2006?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

**Fund Financial Statements**

All of the funds of the Housing Authority are reported as proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other enterprises operated by state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Housing Authority's financial statements report its net assets and changes in them. One can think of the Housing Authority's net assets – the difference between assets and liabilities – as one way to measure the Authority's financial health, or financial position. Over time, increases and decreases in the Authority's net assets are one indicator of whether its financial health is improving or deteriorating. One will need to consider other non-financial factors, however, such as the changes in the Authority's occupancy levels or its legal obligations to HUD, to assess the overall health of the Housing Authority.

**USING THIS ANNUAL REPORT**

The Housing Authority's annual report consists of financial statements that show combined information about the Housing Authority's most significant programs:

Low Rent Public Housing  
Public Housing Capital Fund Program

The Housing Authority's auditors provided assurance in their independent auditors' report with which this MD&A is included, that the basic financial statements are fairly stated. The auditors provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

**Reporting the Housing Authority's Most Significant Funds**

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority establishes other funds to help it control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using grants and other money.

**Housing Authority of the City of Bunkie, Louisiana**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2006**

The Housing Authority's enterprise funds use the following accounting approach for Proprietary funds: All of the Housing Authority's services are reported in enterprise funds. The focus of proprietary funds is on income measurement, which, together with the maintenance of net assets, is an important financial indicator.

**FINANCIAL ANALYSIS**

The Housing Authority's net assets were \$1,399,334 as of December 31, 2006. Of this amount, \$1,270,215 was invested in capital assets, and the remaining \$129,119 was unrestricted. No other specific Assets are restricted. Also, there are no other restrictions on general Net Assets.

**CONDENSED FINANCIAL STATEMENTS**

**Condensed Balance Sheet**  
**December 31,**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Current assets	\$ 174,551	\$ 170,798
Capital assets, net of depreciation	<u>1,270,215</u>	<u>1,108,319</u>
Total assets	<u>1,444,766</u>	<u>1,279,117</u>
<b>LIABILITIES</b>		
Current liabilities	38,018	35,050
Non-current liabilities	<u>7,414</u>	<u>5,164</u>
Total liabilities	<u>45,432</u>	<u>40,214</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of depreciation	1,270,215	1,108,319
Unrestricted net assets	<u>129,119</u>	<u>130,584</u>
Total net assets	<u>1,399,334</u>	<u>1,238,903</u>
Total liabilities and net assets	<u>\$1,444,766</u>	<u>\$1,279,117</u>



**Housing Authority of the City of Bunkie, Louisiana**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2006**

**CONDENSED FINANCIAL STATEMENTS (Continued)**

The net assets of these funds increased by \$160,431, or by 13%, from those of fiscal year 2005, as explained below. In the narrative that follows, the detail factors causing this change are discussed:

**Condensed Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**(Excluding Interfund Transfers)**  
**For the Years Ended December 31,**

	<u>2006</u>	<u>2005</u>
<b>OPERATING REVENUES</b>		
Dwelling rental	\$ 208,115	\$ 165,532
Federal grants for operations	347,766	188,545
Other non-tenant revenue	<u>8,786</u>	<u>7,814</u>
Total operating revenues	<u>564,667</u>	<u>361,891</u>
<b>OPERATING EXPENSES</b>		
Administration	171,211	167,848
Tenant services	0	317
Utilities	10,963	10,234
Maintenance, repairs, and extraordinary repairs	128,258	140,277
General expenses	62,170	54,459
Depreciation	<u>100,648</u>	<u>99,399</u>
Total operating expenses	<u>473,250</u>	<u>472,534</u>
Income (loss) from operations	<u>91,417</u>	<u>(110,643)</u>
<b>NON-OPERATING REVENUES</b>		
Interest income	<u>4,176</u>	<u>2,584</u>
Total Non-Operating Revenues	<u>4,176</u>	<u>2,584</u>
Income (loss) before capital contributions	95,593	(108,059)
<b>OTHER CHANGES IN NET ASSETS</b>		
Capital contributions	<u>64,838</u>	<u>37,328</u>
<b>NET INCREASE (DECREASE) IN NET ASSETS</b>	160,431	(70,731)
<b>NET ASSETS, beginning of fiscal year</b>	<u>1,238,903</u>	<u>1,309,634</u>
<b>NET ASSETS, end of fiscal year</b>	<u>\$1,399,334</u>	<u>\$1,283,903</u>

**Housing Authority of the City of Bunkie, Louisiana**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2006**

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**EXPLANATIONS OF FINANCIAL ANALYSIS**

Compared with the prior fiscal year, total operating and non-operating revenues increased \$204,368, or by 56%, from a combination of larger offsetting factors. Reasons for most of this change are listed below in order of impact from greatest to least:

- ☐ Federal revenues from HUD for operations increased by \$159,221, or by 84% from that of the prior fiscal year. The determination of operating grants is based in part upon operations performance of prior years. This amount fluctuates from year-to-year because of the complexities of the funding formula HUD employs. Generally, this formula calculates an allowable expense level adjusted for inflation, occupancy, and other factors, then uses this final result as a basis for determining the grant amount. The amount of rent subsidy received from HUD depends upon an eligibility scale of each tenant. There was an increase in the number of eligible tenants receiving subsidies, so Housing Assistance Grants increased accordingly, lowering the overall total.
- ☐ Total tenant revenue increased by \$42,583, or by 26% from that of the prior fiscal year. Despite the fact that occupancy rates decreased by 1%, the amount of rent each tenant pays is based on a sliding scale of their personal income. Some tenants' personal incomes increased, so rent revenue from these tenants increased accordingly, raising the overall total.
- ☐ Federal Capital Funds from HUD increased by \$27,510, or by 74% from that of the prior fiscal year. The Housing Authority was still in the process of completing projects funded from grants by HUD for fiscal years 2000 through 2005, and submitted a new grant during fiscal year 2007.
- ☐ Interest income increased by \$1,592, or by 62% from that of the prior fiscal year, since the Authority had money temporarily invested for more time prior to using it on capital projects.
- ☐ Other non-tenant revenue totaling \$8,785, did not change significantly from the prior to the current year.

Compared with the prior fiscal year, total operating and non-operating expenses increased by only \$716, or by less than 1%, but this also was made up of a combination of offsetting factors that were slightly more significant. Again, reasons for most of this change are listed below in order of impact from greatest to least:

- ☐ General Expenses increased by \$7,711, or by 14% from that of the prior fiscal year, primarily because insurance premiums increased by \$1,779, or by 5%, since property and casualty insurance premiums increased. Also, payments in lieu of taxes (PILOT) increased by \$4,185, or by 27%. PILOT is calculated as a percentage of rent (which increased by 26%) minus utilities (which increased 7%), and therefore changed proportionately to the changes in each of these.
- ☐ Depreciation expense increased by \$1,249, or by 1% from that of the prior fiscal year, because there was an increase in purchase of capital assets by \$262,545.

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**Housing Authority of the City of Bunkie, Louisiana**

**Management's Discussion and Analysis (MD&A)**

**December 31, 2006**

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- Maintenance and repairs decreased by \$12,019, or by 9% from that of the prior fiscal year, due to a combination of offsetting factors: Repair staff wages increased by \$4,670, or by 8%, and related employee benefit contributions increased by \$1,656, or by 6%. Also, materials used increased by \$2,379, or by 13%, but contract labor costs decreased by \$18,511, or by 61%. Finally, Extraordinary maintenance increased by \$5,500.

**Capital Assets**

At December 31, 2006, the Housing Authority had a total cost of \$3,543,874 invested in a broad range of assets and construction in progress from projects funded in 2000 through 2005, listed below. This amount, not including depreciation, represents increases of \$262,545 from the prior year. More detailed information about capital assets appears in the notes to the financial statements.

**Capital Assets, Net of Accumulated Depreciation  
As of December 31,**

	<u>2006</u>	<u>2005</u>
Land	\$ 64,742	\$ 64,742
Construction in progress	64,838	0
Site improvement	28,644	20,853
Buildings	1,097,695	1,003,237
Furniture and equipment	<u>14,296</u>	<u>19,487</u>
Total	<u>\$1,270,215</u>	<u>\$1,108,319</u>

As of the end of the 2006 fiscal year, the Authority is still in the process of completing HUD grants of \$388,349 obtained during 2000 through 2005 fiscal years. A total remainder of \$102,622 will be received and spent for completing these projects during fiscal year 2007.

**Debt**

Non-current liabilities include accrued annual vacation and sick leave due to employees. The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by Federal budget than by local economic conditions. The capital budgets for the 2007 fiscal year have already been submitted to HUD for approval and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable. Capital Funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

**Housing Authority of the City of Bunkie, Louisiana**  
**Management's Discussion and Analysis (MD&A)**  
**December 31, 2006**

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**CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our citizens, investors, and creditors with a general overview of the Housing Authority's finances, and to show the Housing Authority's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, contact Penny McWilliams, at Public Housing Authority of Bunkie, Louisiana; P. O. Box 1036; Bunkie, LA 71322.

**Housing Authority of the City of Bunkie, Louisiana**

**BASIC FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE CITY OF BUNKIE**

**ENTERPRISE FUNDS  
Balance Sheet  
December 31, 2006**

**Statement A**

**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 49,303
Investments	103,450
Accounts receivable ,net	625
Prepaid items and other assets	10,287
Inventory	2,151
Restricted assets	
Tenant deposits	<u>8,735</u>
<b>Total Current Assets</b>	<u><b>174,551</b></u>

**Capital Assets**

Land, buildings, and equipment (net of accumulated depreciation)	<u>1,270,215</u>
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<b>TOTAL ASSETS</b>	<u><b>\$ 1,444,766</b></u>
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**LIABILITIES**

**Current Liabilities**

Accounts payable	\$ 1,188
Accrued wages and payroll taxes	6,605
Intergovernmental payable	19,715
Deferred revenue	<u>1,775</u>

<b>Total Current Liabilities</b>	<b>29,283</b>
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**Current Liabilities Payable From Current Restricted Assets**

Deposits due others	8,735
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**Noncurrent Liabilities**

Compensated absences payable	<u>7,414</u>
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<b>Total Liabilities</b>	<u><b>45,432</b></u>
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**NET ASSETS**

Invested in capital assets, net of related debt	1,270,215
Unrestricted	<u>129,119</u>

<b>NET ASSETS</b>	<u><b>1,399,334</b></u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 1,444,766</b></u>
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THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOUSING AUTHORITY OF THE CITY OF BUNKIE**

**ENTERPRISE FUNDS  
Statement of Revenues, Expenses,  
and Changes in Fund Net Assets  
For the Year Ended December 31, 2006**

**Statement B**

**OPERATING REVENUES**

Dwelling rental	\$ 208,115
Governmental operating grants	347,766
Other	<u>8,786</u>

Total operating revenues 564,667

**OPERATING EXPENSES**

Administration	171,211
Utilities	10,963
Ordinary maintenance & operations	128,258
General expenses	82,170
Depreciation	<u>100,648</u>

Total operating expenses 473,250

Operating Income (loss) from Operations 91,417

**NONOPERATING REVENUES (EXPENSES)**

Interest earnings	<u>4,176</u>
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Total nonoperating revenues (expenses) 4,176

Net Income (loss) before capital contributions 95,593

Capital contributions	<u>64,838</u>
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Change in net assets 160,431

NET ASSETS AT BEGINNING OF YEAR 1,238,903

NET ASSETS AT END OF YEAR \$ 1,399,334

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**HOUSING AUTHORITY OF THE CITY OF BUNKIE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended December 31, 2006**

**Statement C**

	<u><b>TOTAL</b></u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Rental receipts	\$ 208,512
Other receipts	358,168
Payments to vendors	(219,980)
Payments to employees	<u>(147,853)</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>198,847</u>
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase fixed assets	(282,545)
Capital contributions	<u>64,838</u>
 NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(197,707)</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
Interest and dividends	4,176
Purchase investments	<u>(143)</u>
 NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 <u>4,033</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 5,173
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>44,130</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 49,303</u>

(CONTINUED)



**HOUSING AUTHORITY OF THE CITY OF BUNKIE**

**ENTERPRISE FUNDS  
Statement of Cash Flows  
For the Year Ended December 31, 2006**

**Statement C**

	<u><b>TOTAL</b></u>
RECONCILIATION OF OPERATING INCOME	
(LOSS) TO NET CASH PROVIDED (USED)	
BY OPERATING ACTIVITIES	
Operating income (loss)	\$ 91,417
Adjustments to reconcile operating income	
to net cash provided (used) by operating	
activities:	
Depreciation expense	100,648
Change in assets and liabilities:	
(Increase) decrease receivables, net	238
(Increase) decrease inventories	1,066
(Increase) decrease prepaid items	(5)
Increase (decrease) accounts payable	(2,826)
Increase (decrease) compensated absences	2,349
Increase (decrease) deferred revenue	1,775
Increase (decrease) intergovernmental payable	<u>4,185</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>198,847</u>

(CONCLUDED)

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

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**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying basic financial statements of the Housing Authority of the City of Bunkie have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the City of Bunkie, serve a staggered term of five years.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of housing units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority had 106 units in management at projects LA062-1/4.

<u>Program</u>	<u>Contract Number</u>	<u>Number of Units</u>
PHA Owned Housing	FW - 586	106

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity.

The Housing Authority is a related organization of the City of Bunkie since the City of Bunkie appoints a voting majority of the Housing Authority's governing board. The City of Bunkie is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the City of Bunkie. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Bunkie.

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**B. FUNDS**

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. BUDGETS**

**General Budget Policies** The following summarizes the budget activities of the Housing Authority during the year ended December 31, 2006:

The Housing Authority adopted budgets for all HUD-funded programs. The budget is controlled by fund at the function level. All appropriations lapse at year end. Budgets are prepared on the accrual basis of accounting.

The Executive Director is authorized to transfer amounts between line items within any fund, with the exception of salaries, provided such does not change the total of any function.

**Encumbrances** Encumbrances are not recognized within the accounting records for budgetary control purposes.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

**E. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**F. INVESTMENTS**

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

**G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. INVENTORY AND PREPAID ITEMS**

All inventory items are valued at cost using first-in, first-out method. Inventory is recorded using the consumption method. At year end the amount of inventory is recorded for external financial reporting.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Prepaid expenses consist of prepaid insurance.

**I. CAPITAL ASSETS**

Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	33 years
Building improvements	15 years
Furniture and fixtures	5 to 7 years
Computers	3 years

**J. COMPENSATED ABSENCES**

The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

**K. RESTRICTED NET ASSETS** Net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

It is the Housing Authority's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

**L. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**NOTE 2 - DEPOSITS AND INVESTMENTS**

At December 31, 2006, the Housing Authority has cash, cash equivalents, and investments as follows:

Demand deposits	\$ 58,013
Petty Cash	25
Time deposits	<u>103,450</u>
Total	<u>\$161,488</u>
Cash and cash equivalents	\$ 49,303
Investments	103,450
Cash and cash equivalents – restricted	<u>8,735</u>
Total	<u>\$161,488</u>

**Custodial Credit Risk:**

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2006, the Housing Authority's bank balance of deposits was \$183,407. The entire balance was covered by federal depository insurance (GASB Category 1). The Housing Authority's policy does not address custodial credit risk.

**Interest Rate Risk:** The Housing Authority's policy does not address interest rate risk.

**NOTE 3 - RECEIVABLES**

The receivables at December 31, 2006, are as follows:

<b><u>Class of Receivables</u></b>	
Residents	\$204
Other	<u>421</u>
Total	<u>\$625</u>

An allowance for doubtful accounts was recorded for resident accounts in the amount of \$736.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**NOTE 4 - CAPITAL ASSETS**

The changes in capital assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable capital assets:				
Land	\$ 64,742	\$ 0	\$ 0	\$ 64,742
Construction in progress	0	64,838	0	64,838
Total nondepreciable capital assets	64,742	64,838	0	129,580
Depreciable capital assets:				
Site improvements	204,805	0	0	204,805
Buildings	2,839,642	197,707	0	3,037,349
Furniture and equipment	179,691	0	7,551	172,140
Total depreciable capital assets	3,224,138	197,707	7,551	3,414,294
Less: accumulated depreciation				
Site improvements	172,342	3,819	0	176,161
Buildings	1,848,015	91,639	0	1,939,654
Furniture and equipment	160,204	5,191	7,551	157,844
Total accumulated depreciation	2,180,561	100,649	7,551	2,273,659
Depreciable capital assets, net	1,043,577	97,058	0	1,140,635
Capital assets, net	<u>\$ 1,108,319</u>	<u>\$161,896</u>	<u>\$ 0</u>	<u>\$ 1,270,215</u>

**NOTE 5 - RETIREMENT SYSTEM**

The Housing Authority participates in a defined contribution retirement plan. The plan was established January 1, 1992. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. The plan is a single employer defined contribution plan and is administered by the Housing Authority of the City of Bunkie.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8 percent of each participant's effective compensation. The Housing Authority's contribution for each employee and income allocated to the employee's account is vested immediately.

The Housing Authority's total payroll for year ended December 31, 2006, was \$147,899. The Housing Authority's contributions were calculated using the base salary amount of \$131,480. The Housing Authority made the required contributions of \$10,083 for the year ended December 31, 2006, of which \$10,083 was paid by the Housing Authority and \$0 was paid by employees.



**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**NOTE 6 - COMPENSATED ABSENCES**

At December 31, 2006 employees of the Housing Authority have accumulated and vested \$12,641 of employee leave benefits which was computed in accordance with GASB Codification Section C60. These amounts are recorded as liabilities in the funds from which payment will be made. Following is a summary of the compensated absence transactions for the year:

Balance at beginning of year	\$ 10,339
Additions	9,713
Deductions	7,411
Balance at end of year	<u>12,641</u>
Due in one year	<u><u>\$ 5,227</u></u>

**NOTE 7 - COMMITMENTS AND CONTINGENCIES**

**Litigation** At December 31, 2006 the Housing Authority was involved in various law suits. It is not possible to determine the likelihood of a loss at this time. However, in the event the Housing Authority does not prevail, the Housing Authority has insurance that would cover the loss.

**Construction Projects** There are certain major construction projects in progress at December 31, 2006. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Grant Disallowances** The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs have been audited in accordance with Single Audit Act Amendments of 1996 and OMB Circular A-133 through December 31, 2006, these programs are subject to compliance audits. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**NOTE 8 - RISK MANAGEMENT**

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

**NOTE 9 - CAFETERIA PLAN**

The Housing Authority adopted a cafeteria plan July 10, 2001 under Internal Revenue code 125 for all eligible employees. The plan agreement allows employees to elect various benefits. If qualified benefits are chosen, they are excludable from gross income to the extent allowed by law.

**Housing Authority of the City of Bunkie**  
**Notes to the Basic Financial Statements**  
**December 31, 2006**

**NOTE 10 - ECONOMIC DEPENDENCY**

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$412,604 to the Housing Authority, which represents approximately 65% of the Housing Authority's total revenue for the year.

## **SUPPLEMENTAL INFORMATION**

**Housing Authority of the City of Bunkie**

**ACTUAL CAPITAL FUND  
COST CERTIFICATE  
December 31, 2006**

1. The actual Capital Fund costs are as follows:

**PROJECT  
LA 48P06250103**

Funds Approved	\$13,117
Funds Expended	<u>13,117</u>
Excess of Funds Approved	<u>\$ 0</u>
Funds Advanced	13,117
Funds Expended	<u>13,117</u>
Excess of Funds Advanced	<u>\$ 0</u>

**PROJECT  
LA 48P06250104**

Funds Approved	\$188,457
Funds Expended	<u>188,457</u>
Excess of Funds Approved	<u>\$ 0</u>
Funds Advanced	188,457
Funds Expended	<u>188,457</u>
Excess of Funds Advanced	<u>\$ 0</u>

**PROJECT  
LA 48P06250105**

Funds Approved	\$64,838
Funds Expended	<u>64,838</u>
Excess of Funds Approved	<u>\$ 0</u>
Funds Advanced	64,838
Funds Expended	<u>64,838</u>
Excess of Funds Advanced	<u>\$ 0</u>

2. All Capital Fund costs have been paid and all related liabilities have been discharged through payment.

**HOUSING AUTHORITY OF THE CITY OF BUNKIE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PHA: LA062

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
111	Cash - Unrestricted	\$49,303	\$0	\$49,303
114	Cash - Tenant Security Deposits	\$8,735	\$0	\$8,735
100	Total Cash	\$58,038	\$0	\$58,038
126	Accounts Receivable - Tenants - Dwelling Rents	\$940	\$0	\$940
126	Allowance for Doubtful Accounts - Dwelling Rents	(\$736)	\$0	(\$736)
126	Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
129	Accrued Interest Receivable	\$421	\$0	\$421
	Total Receivables, net of allowances for doubtful			
120	accounts	\$625	\$0	\$625
131	Investments - Unrestricted	\$103,450	\$0	\$103,450
142	Prepaid Expenses and Other Assets	\$10,287	\$0	\$10,287
143	Inventories	\$2,151	\$0	\$2,151
143	Allowance for Obsolete Inventories	\$0	\$0	\$0
150	Total Current Assets	\$174,551	\$0	\$174,551
161	Land	\$64,742	\$0	\$64,742
162	Buildings	\$3,037,349	\$0	\$3,037,349
163	Furniture, Equipment & Machinery - Dwellings	\$69,590	\$0	\$69,590
164	Furniture, Equipment & Machinery - Administration	\$102,550	\$0	\$102,550
165	Leasehold Improvements	\$204,805	\$0	\$204,805
166	Accumulated Depreciation	(\$2,273,659)	\$0	(\$2,273,659)
167	Construction In Progress	\$0	\$64,838	\$64,838
	Total Fixed Assets, Net of Accumulated			
160	Depreciation	\$1,205,377	\$64,838	\$1,270,215
180	Total Non-Current Assets	\$1,205,377	\$64,838	\$1,270,215
190	Total Assets	\$1,379,928	\$64,838	\$1,444,766

**HOUSING AUTHORITY OF THE CITY OF BUNKIE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PHA: LA062

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
312	Accounts Payable <= 90 Days	\$1,188	\$0	\$1,188
321	Accrued Wage/Payroll Taxes Payable	\$1,378	\$0	\$1,378
322	Accrued Compensated Absences - Current Portion	\$5,227	\$0	\$5,227
333	Accounts Payable - Other Government	\$19,715	\$0	\$19,715
341	Tenant Security Deposits	\$8,735	\$0	\$8,735
342	Deferred Revenues	\$1,775	\$0	\$1,775
310	Total Current Liabilities	\$38,018	\$0	\$38,018
354	Accrued Compensated Absences - Non Current	\$7,414	\$0	\$7,414
350	Total Noncurrent Liabilities	\$7,414	\$0	\$7,414
300	Total Liabilities	\$45,432	\$0	\$45,432
508	Total Contributed Capital	\$0	\$0	\$0
508	Invested in Capital Assets, Net of Related Debt	\$1,205,377	\$64,838	\$1,270,215
511	Total Reserved Fund Balance	\$0	\$0	\$0
511	Restricted Net Assets	\$0	\$0	\$0
512	Unrestricted Net Assets	\$129,119	\$0	\$129,119
513	Total Equity/Net Assets	\$1,334,496	\$64,838	\$1,399,334
600	Total Liabilities and Equity/Net Assets	\$1,379,928	\$64,838	\$1,444,766

**HOUSING AUTHORITY OF THE CITY OF BUNKIE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PHA: LA062

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
703	Net Tenant Rental Revenue	\$208,115	\$0	\$208,115
705	Total Tenant Revenue	\$208,115	\$0	\$208,115
706	HUD PHA Operating Grants	\$146,192	\$201,574	\$347,766
706	Capital Grants	\$0	\$64,838	\$64,838
711	Investment Income - Unrestricted	\$4,176	\$0	\$4,176
715	Other Revenue	\$8,786	\$0	\$8,786
720	Investment Income - Restricted	\$0	\$0	\$0
700	Total Revenue	\$367,269	\$266,412	\$633,681
911	Administrative Salaries	\$86,153	\$0	\$86,153
912	Auditing Fees	\$5,600	\$0	\$5,600
914	Compensated Absences	\$2,303	\$0	\$2,303
915	Employee Benefit Contributions - Administrative	\$39,242	\$0	\$39,242
916	Other Operating - Administrative	\$37,913	\$0	\$37,913
931	Water	\$448	\$0	\$448
932	Electricity	\$6,965	\$0	\$6,965
933	Gas	\$825	\$0	\$825
938	Other Utilities Expense	\$2,725	\$0	\$2,725
941	Ordinary Maintenance and Operations - Labor	\$61,746	\$0	\$61,746
	Ordinary Maintenance and Operations - Materials			
942	and Other	\$26,720	\$0	\$26,720
	Ordinary Maintenance and Operations - Contract			
943	Costs	\$11,667	\$0	\$11,667
	Employee Benefit Contributions - Ordinary			
945	Maintenance	\$28,125	\$0	\$28,125
961	Insurance Premiums	\$39,329	\$0	\$39,329
963	Payments in Lieu of Taxes	\$19,715	\$0	\$19,715
964	Bad Debt - Tenant Rents	\$3,126	\$0	\$3,126
969	Total Operating Expenses	\$372,602	\$0	\$372,602
	Excess Operating Revenue over Operating			
970	Expenses	(\$5,333)	\$266,412	\$261,079

**HOUSING AUTHORITY OF THE CITY OF BUNKIE  
FINANCIAL DATA SCHEDULE  
FOR THE YEAR ENDED DECEMBER 31, 2006**

PHA: LA062

Line Item No.	Account Description	Low Rent Public Housing	Public Housing Capital Fund Program	Total
974	Depreciation Expense	\$100,648	\$0	\$100,648
900	Total Expenses	\$473,250	\$0	\$473,250
1001	Operating Transfers In	\$201,574	\$0	\$201,574
1002	Operating Transfers Out	\$0	(\$201,574)	(\$201,574)
1010	Total Other Financing Sources (Uses)	\$201,574	(\$201,574)	\$0
	Excess (Deficiency) of Operating Revenue Over			
1000	(Under) Expenses	\$95,593	\$64,838	\$160,431
1102	Debt Principal Payments - Enterprise Funds	\$0	\$0	\$0
1103	Beginning Equity	\$1,101,376	\$137,527	\$1,238,903
	Prior Period Adjustments, Equity Transfers and			
1104	Correction of Errors	\$137,527	(\$137,527)	\$0
1120	Unit Months Available	1,236	0	1,236
1121	Number of Unit Months Leased	1,209	0	1,209



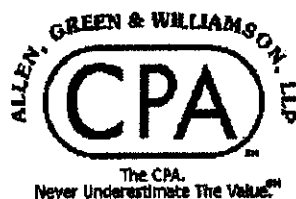
**Housing Authority of the City of Bunkie**

**GENERAL**

**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS  
For the Year Ended December 31, 2006**

The members of the Board of Commissioners are as follows:

Lois Levy, Chairman	\$1,000
Larry Riche, Vice Chairman	1,100
Elizabeth Reed	800
Daniel Melancon	1,100
Leon Holts	800



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### **Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Board of Commissioners  
Housing Authority of the City of Bunkie  
Bunkie, Louisiana

We have audited the financial statements of the Housing Authority of the City of Bunkie, Bunkie, Louisiana, as of and for the year ended December 31, 2006, and have issued our report thereon dated June 28, 2007. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Housing Authority's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Housing Authority's financial statement that is more than inconsequential will not be prevented or detected by the Housing Authority's internal control. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 06-F1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Housing Authority's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and other matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of Findings and Questioned Costs as item 06-F1.

We noted certain matters that we reported to management of the Housing Authority in a separate letter dated June 28, 2007.

The Housing Authority's response to the findings identified in our audit is described in the accompanying Corrective Action Plan for Current-Year Audit Findings. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board, management, and the federal awarding agency, and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN, & WILLIAMSON, LLP

Monroe, Louisiana  
June 28, 2007

**Housing Authority of the City of Bunkie**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2006**

**PART I – Summary of the Auditors' Results**

**Financial Statement Audit**

- i. The type of audit report issued was unqualified.
- ii. There was a significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States of America.
- iii. There was an instance of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statements.

**Housing Authority of the City of Bunkie**

**Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 2006**

**PART II – Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:**

**Reference # and title:**                **06-F1**                                **Noncompliance With State Bid Law**

**Entity-wide or program/department specific:** Public Housing Capital Fund Program

**Criteria or specific requirement:** According to LSA-R.S. 38:2211-38:2213, the first advertisement for bids of public works over \$100,000 should be published at least twenty five days before the bid opening.

**Condition found:** The Housing Authority had one bid during the year, which was tested for compliance with state bid law. The first ad was published only 19 days before the bid opening.

**Amount of Questioned Costs:** None

**Proper perspective for judging the prevalence and consequences:** The Housing Authority advertised the construction bid for the first time nineteen days before the bid opening.

**Possible asserted effect (caused and effect):**

**Cause:** The Housing Authority failed to ensure that the bid advertisement appeared twenty five days before the bid opening.

**Effect:** The Housing Authority is not in compliance with the state bid law.

**Recommendations to prevent future occurrences:** The Housing Authority should verify that bids are advertised for the proper amount of time before the bid opening.

**Housing Authority of the City of Bunkie**

**OTHER INFORMATION**

**Housing Authority of the City of Bunkie  
Corrective Action Plan For Current-Year Audit Findings  
For the Year Ended December 31, 2006**

**Reference # and title:**                **06-F1**                                **Noncompliance With State Bid Law**

**Condition found:** According to LSA-R.S. 38:2211-38:2213, the first advertisement for bids of public works over \$100,000 should be published at least twenty five days before the bid opening. The Housing Authority had one bid during the year, which was tested for compliance with state bid law. The first ad was published only 19 days before the bid opening.

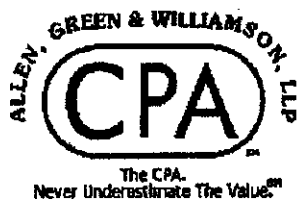
**Corrective action planned:** The Housing Authority will ensure that bids are advertised for the proper amount of time before the bid opening.

**Person responsible for corrective action:**

Ms. Penny McWilliams, Executive Director  
Housing Authority of the City of Bunkie  
P. O. Box 1036  
Bunkie, LA 71322-5036

Telephone: (318) 346-6838  
Fax:            (318) 346-6844

**Anticipated completion date:** Immediately



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### Management Letter

Board of Commissioners  
Housing Authority of City of Bunkie  
Bunkie, Louisiana

In planning and performing our audit of the financial statements of the Housing Authority of City of Bunkie for the year ended December 31, 2006, we considered the Housing Authority's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated June 28, 2007, on the financial statements of the Housing Authority. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's responses are summarized as follows:

#### **06-M1**      **Information Systems Policy**

**Comment:** The Housing Authority does not have written policy governing information systems, nor do they have a written back-up contingency and recovery plan. The Housing Authority only performs monthly back-up and the back-ups are not stored off site or in a fireproof safe.

**Recommendation:** The Housing Authority should consider adopting a policy governing information systems which includes a back-up contingency and recovery plan. The Housing Authority should also consider doing back-ups daily and storing them off site or in a fireproof safe.

**Management's response:** Back-ups will be performed daily and kept in two separate locations in a fireproof safe.

#### **06-M2**      **Fixed Asset Listing**

**Comment:** The Housing Authority is not updating the fixed asset listing every time there is a change.

**Recommendation:** The Housing Authority should update the fixed asset listing every time there is an addition or deletion and periodically inspect the fixed asset listing to ensure it is accurate.

**Management's response:** From this date forward will pay close attention to this matter and make sure items are updated on a monthly period.



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Our audit procedures are designed primarily to enable us to form opinions on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

*Allen, Green & Williamson, LLP*

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

June 28, 2007